

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0030-01
Bill No.: Perfected HB 71
Subject: Law Enforcement Officers and Agencies
Type: Original
Date: February 18, 2011

Bill Summary: This proposal allows the City of St. Louis to establish a municipal police force completely under the city's authority.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Legal Expense Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Director's Office** and the **Office of Administration - Budget and Planning** assume there will be no fiscal impact to their respective agency.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Police Retirement System of St. Louis** assume there will be no fiscal impact to their agency.

In response to a similar proposal from 2010 (HB 1601), officials from the **City of St. Louis** stated that these amendments will allow the City to combine a variety of administrative functions now carried out independently by the Police Department with functions of the same type also carried out by the City. These functions include emergency dispatch, accounting and budgeting, information technology, printing, and facility's management, among others. In addition, it will be possible to eliminate administrative functions now carried out by the Police Department that will no longer be necessary, these include expenses related to the Board of Police Commissioners. Further, the City could save future costs of providing lifelong health insurance benefits for present and former police commissioners, since we are not privy to the number of former police commissioners for whom this benefit is now provided, it is not possible to estimate these savings.

ASSUMPTION (continued)

The following is an itemized list of estimates of potential savings the City of St. Louis could incur with local control of the St. Louis Police Department:

- Emergency Dispatch - Savings to be determined
- Board of Police Commissioners - \$255,029
- Human Resources - \$767,305
- Information Technology - \$1,327,067
- Legal Services - \$205,333
- Internal Audit - \$103,874
- Budget Division - \$559,043
- Microfilm - \$103,850
- Supply Division - \$191,928
- Multigraph - \$302,139
- City Emergency Management Agency - \$294,862
- Facilities Management - \$210,453
- Equipment Services - \$192,182
- Municipal Garage - \$167,831
- Public Information - \$229,116

Officials estimated that the City will save approximately \$4.4 million from the elimination of duplicative and unnecessary administrative functions that local control will make possible. This estimated savings is approximately 1% of the City's current \$454 million general revenue budget. The City can use administrative savings realized to improve public safety and other direct services for our citizens. Note that this estimated amount is based on a number of assumptions that may or may not prove to be correct: actual savings may be less or may be more than our estimate as we work with Police department staff to combine functions and achieve other efficiencies while enhancing public safety-related police services. The City's ability to estimate potential savings is hampered at present by a lack of detailed cost and function data from the Department.

In addition, officials believed additional savings are possible: the Police Department purchased an accounting/payroll system at what officials understand was a cost of several million dollars that could address a major unmet City technology need, if the City can take advantage of this system, it will avoid the cost of independently purchasing a similar system, allowing the City to reduce personnel costs through attrition. Further, the officials believed that judicious and enhanced use of technology can also eliminate a significant portion of the personnel costs associated with reporting and other City and Police administrative functions.

ASSUMPTION (continued)

Officials also stated that with the exception of the elimination of the one (1) commissioned officer who works for the Board of Police Commissioners, officials have not suggested that any savings can be achieved by eliminating uniformed officers. All existing uniformed officers need to be retained for the safety of our residents, workers, businesses and visitors. Those uniformed officers now engaged in functions that duplicate City administrative functions can be redeployed in activities that directly contribute to public safety. In that regard, the administrative efficiencies made possible by the proposed amendments can help improve public safety in the City because more police officers can be available to provide direct public safety services. This in turn, will provide additional positive City fiscal impact, although it is also not possible to calculate the monetary value of this impact: more police officers “on the street” will improve both the perception and reality of safety in the City and attract more residents, workers, businesses and visitors that enhance the City’s revenue base. Using the saving achieved from eliminating duplicative administrative functions to improve public safety and other services for our residents and businesses will have a similar positive fiscal impact, as will the fact that the City’s police department will be an integral part of its government, like other police departments across the United States.

Oversight assumes there would be some cost savings to the City of St. Louis by the elimination of duplicate functions that are carried out independently by the Police Department and the City. The City of St. Louis acknowledges in their response that actual savings may be less or may be more than the estimate states. Therefore, Oversight will reflect a positive unknown fiscal impact to the State Legal Expense Fund and to local government.

House Amendment 1- Prohibited activities of the St. Louis Police Department with penalty provisions

Officials from the **City of St. Louis** and the **St. Louis Metropolitan Police Department** did not respond to **Oversight’s** request for fiscal impact.

Oversight assumes this proposal adds no new expenditure of funds, or adds no new duties, and would have no local fiscal impact.

ASSUMPTION (continued)

House Amendment 2 - Obligation of the City to provide funding

Officials from the **City of St. Louis** and the **Police Retirement System of St. Louis** did not respond to **Oversight's** request for fiscal impact.

Oversight assumes this proposal is providing clarifying language; therefore, Oversight assumes no state or local fiscal impact.

House Amendment 1 for House Amendment 2 - Lobbying activities before the general assembly

Officials from the **Missouri Ethics Commission** assume that there is no fiscal impact from this proposal.

Officials from the **City of St. Louis** and the **St. Louis Metropolitan Police Department** did not respond to **Oversight's** request for fiscal impact.

Oversight assumes no state or local fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
STATE LEGAL EXPENSE FUND			
<u>Savings</u> - Legal Expense Fund The City of St. Louis would be responsible for all legal judgements	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON THE STATE LEGAL EXPENSE FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Local Government

FY 2012
(10 Mo.)

FY 2013

FY 2014

**LOCAL GOVERNMENTS - CITY OF
ST. LOUIS**

Savings - City of St. Louis
Eliminating duplicate functions
that are carried out by both the City and
the Police Department

Unknown

Unknown

Unknown

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS - CITY
OF ST. LOUIS**

Unknown

Unknown

Unknown

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, the state oversees the police force for the City of St. Louis through the St. Louis Board of Police Commissioners. This bill allows the city to establish and maintain a municipal police force under its own authority and provides for the employment of the officers and employees of the current police force and the continuation of their salaries, benefits, and pension plan, as well as the continuation of any regulations regarding residence. Any retired officers must maintain their accrued benefits.

Provisions relating to the board will expire upon the effective date of the bill.

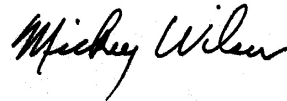
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Department of Public Safety
-Director's Office
City of St. Louis
The Police Retirement System of St. Louis
Office of Administration
-Budget and Planning
Missouri Ethics Commission

NOT RESPONDING

St. Louis Metropolitan Police Department

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
February 18, 2011